



Department of Housing and Works
Government of Western Australia

Office of the Director General



Dr M D Nahan MLA
Chair
Economics and Industry Standing Committee
Parliament House
PERTH WA 6000

Dear Dr Nahan

**Submission to The Economics and Industry Standing Parliamentary
Committee with relation to its Inquiry into the Provision, Use and Regulation of
Caravan Parks (and Camping Grounds) in Western Australia**

Please find attached the Department of Housing's submission. Comments have been restricted to the second, third and fourth listed areas of the Committee's investigation.

The Department appreciates the opportunity to make a submission.

Yours sincerely

GRAHAME SEARLE
DIRECTOR GENERAL

14 May 2009



Government of **Western Australia**
Department of **Housing**

A submission by the
Department of Housing

to the

Parliament of Western Australia

Economics and Industry Standing Committee

**PARLIAMENTARY INQUIRY INTO THE PROVISION, USE
AND REGULATION OF CARAVAN PARKS (AND CAMPING
GROUNDS) IN WESTERN AUSTRALIA**

May 2009



Executive Summary

The closure of residential caravan parks in Western Australia adds to the demand for affordable housing.

Well situated sites used as caravan parks are increasingly being sold off for residential or tourism hotel developments. Local areas currently affected include the Cities of Wanneroo and Mandurah and the Shire of Kalamunda.

In these locations the caravan park operates primarily as a provider of common space and sites for owner-occupied long-stay caravans or park homes. Over time the initial and primary role of providing short-term tourism sites and camping grounds has been overtaken by the long-stay role.

Given the popularity of this tenure with many lower-income earning families, and single person households, the Department of Housing notes this form of accommodation is an affordable housing option for some and should be supported.

The Department also sees a need for greater certainty of tenure and appropriate regulation to make long-stay caravans or park homes a viable long term affordable housing option.



The Issue

The closure of residential caravan parks in Western Australia is significantly reducing the ability of permanent long-stay park residents to maintain their tenure. It is evident that this could have profound impact on the demand and supply of social housing in the near future:

- While only 26 of the 197 caravan parks operating in Western Australia (13%) are classified by the Australian Bureau of Statistics (ABS) as long-stay parks, up to 40% of caravan parks in Perth had half or more of their sites dedicated to long stay residents;
- A further 25% had more than 75% of their park sites occupied by long-stay residents (as at May 2007¹);
- In December 2008² the ABS says 5,148 people lived as long-stay residents in WA caravan parks.
- From 1983-2005 the ABS estimate 20% of caravan park “guests” in WA were long-stay.
- At the last 2006 ABS Census there 1,993 low income caravan park residents in WA³.

Government requires a proactive and integrated response to assist permanent long-stay residents and prevent them becoming homeless.

Background

Many caravan parks have traditionally catered for a mix of permanent long-stay residents and tourists in an attempt to balance income against vacancy risks and to ensure a viable business.

The Caravan Parks and Camping Grounds Act 1996 is overseen by the Department of Local Government and Regional Development. It has responsibility for the 300 Caravan Parks and Camping Grounds in WA which provide a tourism and camping service as their core business with the ability to supplement this with long-stay accommodation.

¹ Tourism Western Australia and Tourism Research Australia (2007) *Understanding the Caravan Park Industry in WA*. Tourism Western Australia:Perth.

² Australian Bureau of Statistics (2009) *Tourist Accommodation, Australia*. September Quarter 2008. ABS:Canberra.Cat.No. 8635.0

³ These lower income residents of caravan parks are defined by the ABS as “marginal” residents renting a caravan as their usual address with no-one in the dwelling having full-time work of 35 hours or more.



In recent years, across Western Australia (WA), well situated sites used as caravan parks have become sought after as residential or tourism hotel developments. Locations close to or near the coast in Wanneroo (Kingsway Caravan Park) and Mandurah (Miami Caravan Park) are under the heaviest development pressure and face closure for this reason. Other locations further inland such as the Springvale Caravan Park in High Wycombe are also to be closed for development.

Rental park homes and caravans within caravan parks, whilst an initial short-term accommodation option, can develop into stable and affordable housing over time. Agencies such as Outcare, the Department for Child Protection, and the Department for Corrective Services have communicated that this is especially so for persons and families removing themselves from domestic and family violence and those exiting institutional care.

Immediate problem

Three caravan parks in WA's major metropolitan area of Perth-Mandurah are currently faced with closure due to redevelopment and sale of their land:

1. Miami Caravan Park in Mandurah which provides 160 sites with 19 long-stay residents;
2. Kingsway Caravan Park in Wanneroo with 187 sites in total - 80 of which have 90 long term residents residing upon them;
3. Springvale Caravan Park in High Wycombe which has 101 sites with 87 long-stay residents.

As a snapshot of the immediate problem: Springvale Caravan Park has 101 residents with 87 owning their park home accommodation and a further 14 renting their park homes. Park home owner-occupiers have been given a 6 month lease while park home renters a 12 month lease with a 6 months notice to vacate. The park houses 10 families with the majority being older people.

Action in response

An interdepartmental working group has been established to respond to the closure of caravan parks. The major work of the group to date has been to assist individuals at Kingsway Caravan Park to relocate or find alternative accommodation or housing. In addition a draft Memorandum of Understanding (MoU) and Working Group draft Protocol that outlines Government agency



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responses to caravan park and park home park closures is in the final stages of approval. This group will arrive at a final MoU and Protocol in coming weeks.

The Kingsway Caravan Park is due to close on the 15th October 2009. Representatives from the Department of Housing have been assisting residents with public housing, bond assistance, and Keystart applications, and referral to Centrelink. The following outcomes have occurred:

- Fourteen (14) residents have made agreement with the Shire of Moora to relocate to the proposed "Moora Gardens" Lifestyle Village which is due for completion in September 2009;
- Twenty-five (25) residents are examining the option of relocating to the Cherokee Caravan Park, Kingsley;
- Nineteen (19) residents have been placed on the Department of Housing priority waiting list;
- One (1) resident has been housed by the Department of Housing.
- One (1) resident is deceased;
- One (1) has been approved for a Department of Housing Private Rental Bond Assistance Loan;
- Nine (9) residents have already relocated or secured places in private rental;
- Two (2) Department of Housing applicants have been found to be ineligible as they exceed the personal income and asset thresholds for public housing rental assistance;
- Eight (8) residents have not informed the Department of Housing of their intentions at this stage.



Possible ways forward

1. Enable owner-occupying rental park home or caravan park residents the ability to exercise an affordable housing purchase option – *i.e. legal option to be able to purchase a share in the land/facility so that they can gain greater security of tenure/involvement in decision to sell.*
2. Enable groups of park-home and prefabricated dwellings to have specific legislation to cover them under long-term (30-50 year) leasing and/or ownership arrangements. Such a model already exists under contract law in WA e.g. *National Lifestyle Villages* model for “*Retirement Villages*” but is codified in other countries in various ways e.g. North America, Great Britain (*e.g. Mobile Homes Act 1983 UK*).
 - 2.1. It is increasingly apparent that the amenity of shared facilities offered by many caravan parks is an important consideration when viewed as a “lifestyle community-private village”. They provide a degree of security being a gated community as well as offering a well groomed parkland, or bushland, or coastal, setting that is not readily matched by social or private housing or as affordable. A new type of town-planning instrument to aid this could be very valuable as it locks in smaller environmental footprints than comparable housing estates or other forms of fixed asset residential development
3. Consider statutory mechanisms to place an onus for compensation to be offered to owner-occupiers of park homes and/or caravans unable to be relocated due to their age. This could affect owners and/or future developers if the owner or operator can be shown to have been negligent in allowing the long-stay resident’s park home or caravan to become a fixture of the caravan park *e.g. unable to be moved because of growth around the dwelling or park exit points;*
4. Determine and set aside areas of the crown estate worth reserving, for 30-50 years, or in perpetuity, for the purpose of affordable housing using prefabricated dwellings in relatively close proximity.



Recommendations

The Department of Housing recommends the following initiatives in order to address the growing demand for “permanent long-stay” caravan park residents in Western Australia.

1. Identify suitable Crown Land sites through the Department of Planning and Infrastructure for new caravan parks dedicated to medium to long-stay rental including owner-occupied park homes and caravans;
2. Enable this use to be protected in the long-term and retained in perpetuity through government ownership;
3. Develop suitable tenure and tenancy management options for long-term stay (say 30-50 years), including leasing of the land underlying caravan park/park home sites to the residing occupants;
4. Landgate continues its work on developing new and innovative arrangements around Community Title to enable the land underlying caravan park/park home to be sold or leased to the residing occupants.